



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285**

**C. WARREN NEEL, Ph.D.
COMMISSIONER**

**FOR IMMEDIATE RELEASE
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January Revenues

Nashville – On an accrual basis January is the sixth month in the 2001-2002 fiscal year. Department of Revenue tax collections were \$751.9 million, an increase of \$16.6 million or 2.26% over last year.

Revenues were \$4.8 million less than the budgeted estimates, Finance and Administration Commissioner C. Warren Neel announced today. The general fund had an undercollection of \$11.8 million and the four other funds overcollected by \$7 million for the month.

Sales tax collections increased by 0.92% in January which is \$7.1 million less than the estimate. Collections from new and used vehicles increased by 21.35%. Net of those collections, sales tax decreased by 0.39% for the month. January collections represent retail sales in December which means holiday sales were well under the national increase of 2.7%. In January 2001 the increase was 0.11%. In two years there is practically no growth in holiday sales tax collections.

Franchise and excise taxes combined were \$130.3 million for the month, a decrease of \$3.5 million or 2.64% for the month. Collections were \$8.1 million less than the estimate.

Gasoline taxes and motor vehicle registrations were \$8 million more than the budgeted estimate of \$77.8 million.

Year-to-date collections for six months are \$161.1 million less than the budgeted estimates for all funds and \$158.5 million less than the general fund estimate.

Commissioner Neel stated, "The budgeted revenue estimates are based upon the State Funding Board's consensus recommendation adopted by the first session of the 102nd General Assembly in June of this year."

REVENUE COLLECTIONS
JANUARY, 2002, AND 6 MONTHS YEAR-TO-DATE

January Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$632,922,000	\$621,106,000	(\$11,816,000)
Highway Fund	44,320,000	49,690,000	5,370,000
Sinking Fund	20,336,000	20,290,000	(46,000)
City & County Fund	55,972,000	57,276,000	1,304,000
Earmarked Fund	3,176,000	3,548,000	372,000
Total	\$756,726,000	\$751,910,000	(\$4,816,000)

Year-To-Date Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$3,057,627,000	\$2,899,143,000	(\$158,484,000)
Highway Fund	277,431,000	279,256,000	1,825,000
Sinking Fund	118,502,000	117,854,000	(648,000)
City & County Fund	313,239,000	308,087,000	(5,152,000)
Earmarked Fund	15,892,000	17,285,000	1,393,000
Total	\$3,782,691,000	\$3,621,625,000	(\$161,066,000)

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	January		Change	Percent
	2001	2002		
Franchise & Excise	\$133,821,000	\$130,283,000	-\$3,538,000	-2.64%
Income	4,845,000	3,078,000	-1,767,000	-36.47%
Inheritance & Estate	7,602,000	7,266,000	-336,000	-4.42%
Gasoline	46,825,000	52,574,000	5,749,000	12.28%
Petroleum Special	4,790,000	5,189,000	399,000	8.33%
Tobacco	5,946,000	7,265,000	1,319,000	22.18%
Beer	1,162,000	1,163,000	1,000	0.09%
Motor Vehicle Registration	9,204,000	15,286,000	6,082,000	66.08%
Motor Vehicle Title	882,000	898,000	16,000	1.81%
Mixed Drink	3,389,000	3,467,000	78,000	2.30%
Business	324,000	72,000	-252,000	-77.78%
Privilege	15,219,000	17,960,000	2,741,000	18.01%
Gross Receipts	16,596,000	16,870,000	274,000	1.65%
Alcoholic Beverage	3,547,000	3,479,000	-68,000	-1.92%
Sales and Use	469,863,000	474,206,000	4,343,000	0.92%
Motor Vehicle Fuel	11,199,000	12,777,000	1,578,000	14.09%
Severance	97,000	77,000	-20,000	-20.62%
Coin-operated Amusement	0	0	0	0.00%
Total	\$735,312,000	\$751,910,000	\$16,598,000	2.26%

Table 2
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	August - January			Percent
	2000-2001	2001-2002	Change	
Franchise & Excise	\$476,796,000	\$397,907,000	-\$78,889,000	-16.55%
Income	14,233,000	13,628,000	-605,000	-4.25%
Inheritance & Estate	37,175,000	43,924,000	6,749,000	18.15%
Gasoline	291,069,000	288,566,000	-2,503,000	-0.86%
Petroleum Special	32,127,000	31,925,000	-202,000	-0.63%
Tobacco	41,079,000	41,624,000	545,000	1.33%
Beer	7,935,000	7,820,000	-115,000	-1.45%
Motor Vehicle Registration	75,421,000	89,171,000	13,750,000	18.23%
Motor Vehicle Title	5,146,000	5,150,000	4,000	0.08%
Mixed Drink	17,037,000	17,825,000	788,000	4.63%
Business	1,984,000	2,238,000	254,000	12.80%
Privilege	81,889,000	92,635,000	10,746,000	13.12%
Gross Receipts	112,700,000	115,438,000	2,738,000	2.43%
Alcoholic Beverage	15,937,000	15,834,000	-103,000	-0.65%
Sales and Use	2,386,586,000	2,382,822,000	-3,764,000	-0.16%
Motor Vehicle Fuel	73,994,000	74,547,000	553,000	0.75%
Severance	542,000	562,000	20,000	3.69%
Coin-operated Amusement	23,000	9,000	-14,000	-60.87%
Total	\$3,671,674,000	\$3,621,625,000	-\$50,048,000	-1.36%

Table 3
August - January Revenue Overcollections/(Undercollections)
Budgeted Estimate

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Sales Tax	\$ (73,600,000)	\$ (4,000,000)	\$ (77,600,000)
Inheritance Tax	5,600,000	0	5,600,000
TVA Payment	800,000	500,000	1,300,000
Gasoline & Motor Vehicle Registration	700,000	0	700,000
Other Taxes	<u>3,200,000</u>	<u>900,000</u>	<u>4,100,000</u>
Sub-Total	\$ (63,300,000)	\$ (2,600,000)	\$ (65,900,000)
F & E Taxes	<u>(95,200,000)</u>	<u>0</u>	<u>(95,200,000)</u>
Total	<u><u>\$ (158,500,000)</u></u>	<u><u>\$ (2,600,000)</u></u>	<u><u>\$ (161,100,000)</u></u>

January Revenue Report

(in millions)

January is the 6th month of fiscal year 2001-02 on an accrual basis.

TOTAL TAX COLLECTIONS January 2002, \$751.9

Performance versus the estimate for the month

<u>Estimate</u>	<u>Difference</u>	<u>Percentage</u>
\$756.7	-\$4.8	-0.6%

TOTAL TAX COLLECTIONS Y-T-D January 2002, \$3,621.6

Performance versus the estimate Y-T-D

<u>Estimate</u>	<u>Difference</u>	<u>Percentage</u>
\$3,782.7	-\$161.1	-4.3%